

Message Text

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ORIGIN EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00
FRB-03 L-03 CIAE-00 INR-07 NSAE-00 XMB-02 PRS-01 /073 R

DRAFTED BY EA/IMS:ARDORNHEIM:CCH
APPROVED BY EA/IMS:EDWARD C. INGRAHAM
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FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA

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E.O. 11652: GDS

TAGS: EFIN, ID

SUBJECT: PERTAMINA'S LEASED TANKERS

REF: STATE 308588

1. BUSINESS WEEK JAN 10 ARTICLE REPORTS MORGAN GUARANTY'S PROBLEMS WITH SOME BANKS PARTICIPATING IN TWO 1975 SYNDICATIONS (PER REFTEL) AND CONCLUDES THAT SMALLER BANK DIS- ENCHANTMENT WITH MG ADVICE COULD EVENTUALLY HURT ALL LDCS SEEKING LOANS IN A US CAPITAL MARKET ALREADY AWARE OF HUGE LDC DEBT BURDEN. SMALLER BANK PARTICIPATION IS USUALLY DESIRED IN LOAN SYNDICATIONS AND ARTICLE SUGGESTED THAT IT MAY BE HARDER TO GET HEREAFTER IF LEAD BANKS CANNOT BE AS TRUSTED AS BEFORE.

2. IN DISCUSSION WITH DEPTOFF, MORGAN GUARANTY SOURCE QUESTIONED ACCURACY OF ARTICLE'S REPORTING. WHILE THOSE SMALLER BANKS WHICH DO NOT DO OWN INDEPENDENT LOAN ANALYSIS AND WHICH TEND TO PARTICIPATE IN A LOAN IF A BANK WITH

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LONG INTERNATIONAL EXPERIENCE LIKE MG IS PARTICIPATING HAVE BEEN WORRIED AND SOMETIMES CONFUSED, NONE HAS GONE SO FAR AS TO BE OPENLY CRITICAL WITH MORGAN GUARANTY ABOUT ITS PERFORMANCE AS AGENT. ON CONTRARY, MG OFFICIAL SAID QUITE A FEW BANKS HAVE PRAISED MG FOR ITS DILIGENCE IN

KEEPING THEM ADVISED. MOREOVER, NO BANK HAS CALLED FOR

LOAN ACCELERATION AND BANKS REPRESENTING OVER ONE THIRD OF MONEY LOANED HAVE ALREADY ACCEPTED TWO RECOMMENDATIONS MADE BY MG, THUS ESTOPPING LOAN ACCELERATION IN ANY EVENT. MG IS BEGINNING TO ACCEPT IDEA THAT 100 PERCENT APPROVAL OF ITS TWO RECOMMENDATIONS WILL NOT BE FORTHCOMING AND IS THEREFORE DEVISING OTHER WAYS OF SECURING UNANIMOUS ACCEPTANCE FOR ITS ESSENTIALLY HOLD-FAST RESPONSE TO GOI'S TECHNICAL BREACHES OF TWO LOAN AGREEMENTS.

3. BURKE AND PARSONS REPORTS THAT 16.5 MILLION DOLS WRIT OF ASSET ATTACHMENT HAS STILL NOT BEEN SERVED ON PERTAMINA. THIS MAY POSSIBLY EMBARRASS CITIBANK'S LAWYERS WHO HAVE ARGUED THAT COURT'S OCT 20 ORDER FOR A NEW AND LARGER WRIT CONSTITUTED A NEW EVENT OF DEFAULT WHICH WAS NOT CORRECTED WITHIN SIXTY DAYS. LEGAL CONFUSION STILL PREVAILS. NOTHING NEW TO REPORT ON PERTAMINA'S MOVE TO APPEAL OCT 20 DECISION.

ROBINSON

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Message Attributes

Automatic Decaptoning: X
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Current Classification: UNCLASSIFIED
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Sent Date: 11-Jan-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Status: NATIVE
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